


AR13

# *1969 Annual Report*

**National  
Trust**

SINCE 1898



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## Summary of Results 1969

	1969	1968	INCREASE
Income - - - - -	\$ 40,344,141	\$ 34,513,566	\$ 5,830,575
Expenses - - - - -	35,732,685	30,312,999	5,419,686
Taxes - - - - -	2,196,906	2,031,257	165,649
Net Profit - - - - -	2,414,550	2,169,310	245,240
Net Profit per share - - - - -	1.29	1.16	.13
Dividends paid - - - - -	1,379,722	1,304,127	75,595
Dividends per share - - - - -	.74	.70	.04
Savings Deposits - - - - -	229,855,680	212,737,235	17,118,445
Guaranteed Investment Certificates - - - - -	179,021,317	134,657,970	44,363,347
Capital Funds - - - - -	23,589,053	22,542,510	1,046,543
Estates, Trusts and Agencies - - - - -	1,564,939,010	1,432,299,123	132,639,887
Total Assets Administered - - - - -	2,051,119,585	1,838,956,715	212,162,870

## Board of Directors

MELVYN G. ANGUS

*President, Lunham & Moore Limited*

J. D. BARRINGTON

*Consulting Mining Engineer*

FRASER W. BRUCE

*Chairman, Canadian Executive Service Overseas*

R. J. BUTLER

*President and Chief Executive Officer, The T. Eaton Co. Limited*

ROSS T. CLARKSON, Q.C.

*Smith, Davis, Anglin, Laing, Weldon & Courtois,  
Barristers & Solicitors*

MARSH A. COOPER

*President and Managing Director,  
Falconbridge Nickel Mines Limited*

THOMAS S. DUNCANSON

*Director, and Member of the Policy Committee,  
Moore Corporation, Limited*

J. DOUGLAS GIBSON, O.B.E.

*Economic Consultant*

E. H. HEENEY

*President*

C. BRUCE HILL, M.C.

GRANT HORSEY

*President, Wilgran Corporation Limited*

J. G. HUNGERFORD, Q.C.

*Chairman of the Board*

R. M. HUNGERFORD

*President, Flex-Lox Industries Limited*

W. F. JAMES

*James, Buffam and Cooper, Consulting Geologists*

R. A. LAIDLAW

*Honorary Chairman*

A. HAZLETT LEMMON

*Vice-President*

*President, The Canada Life Assurance Company*

VICTOR F. MACLEAN

*President, Kelly, Douglas & Company, Limited*

ARGUE MARTIN, Q.C.

*Martin & Martin, Barristers*

ANSON C. MCKIM, O.B.E.

GRAHAM MORROW, O.B.E.

*Member, Executive Committee,  
Royal-Western Assurance Group*

JAMES C. PARLEE

*Senior Executive Vice-President,  
The International Nickel Company of Canada Limited*

H. E. PEARSON, M.C.

*Chairman of the Board, Selkirk Holdings Limited*

SMILEY RABORN, JR.

*President, Canadian Delhi Oil Ltd.*

JOHN G. SHEPPARD

*Executive Vice-President, Financial  
Dominion Foundries and Steel, Limited*

JOHN H. TAYLOR

*President, The Canadian Fuel Marketers Group Ltd.*

EDGAR F. TOLHURST

STANLEY M. WEDD

HARRY H. WILSON

*Vice-Chairman of the Board*

J. ELMER WOODS

W. H. YOUNG

*President, The Hamilton Cotton Company Limited*

AR13

1969

INTERIM REPORT

For the six months ended April 30, 1969

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Check

National  
Trust

SINCE 1898

# NATIONAL TRUST COMPANY, LIMITED

The unaudited results of operations for the six months ended April 30, 1969 with the comparative figures for the same period in 1968 are as follows:

	1969	1968
Profit before income taxes . . . . .	\$ 2,071,072	\$ 2,010,999
Provision for income taxes . . . . .	912,584	941,985
Net Profit . . . . .	<u>\$ 1,158,488</u>	<u>\$ 1,069,014</u>
Per Share . . . . .	62¢	57¢

## GUARANTEED ACCOUNT

Savings Deposits . . . . .	\$ 216,782,669	\$ 203,424,866
Term Deposits . . . . .	24,529,877	42,935,395
Guaranteed Investment Certificates . . . . .	155,709,754	121,751,543
Total Guaranteed Account . . . . .	<u>\$ 397,022,300</u>	<u>\$ 368,111,804</u>

ESTATES, TRUSTS AND AGENCIES . . . . .	<u>\$1,519,220,043</u>	<u>\$1,369,168,527</u>
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## TO THE SHAREHOLDERS:

This interim report is for the purpose of providing you with current information on the activities and progress of the Company. It is our intention to issue these reports regularly in the future and they will contain information which we think will be of interest to shareholders.

It must be kept in mind that the results reported for the first six months are not necessarily indicative of those to be reported for the full fiscal year.

E. H. HEENEY  
President

## Remarks of the Chairman of the Board AT THE ANNUAL MEETING

J. G. Hungerford, Q.C.

### LADIES AND GENTLEMEN:

The record of the Company's activities as evidenced by the Balance Sheet and the Profit and Loss Account is before you and I trust you will consider it satisfactory. We have, I think, had a good year and reason to be pleased with the results achieved throughout the various departments of the Company.

When I was reading the reports of the annual meetings of other years I noticed that there was an almost unbroken pattern in the statements made by the speakers regarding the seriousness of the problems which had confronted the Company in the particular year under review. The pattern seems to be so well established, one would hesitate to depart from it. Indeed, this would hardly seem to be the time to do so, when we recall the many major problems with which we have been confronted in the past twelve months. Inflation, the credit squeeze, historically high interest rates, fundamental changes in estate tax legislation and, more recently, the proposals contained in the Government's White Paper, all contributed to the atmosphere of uncertainty in which we have been operating. While many of these problems will continue to be troublesome, I am confident that, as in the past, we will find the best solution for them as they affect our Company and our clients.

Looking back over a good many years in the trust business, I know we can give much of the credit for our achievements to the character and ability of our staff, especially those senior officers who form the backbone of our organization. Credit too must go to our Directors and the Members of our Advisory Boards who have given us so much of their time, energy and wise counsel in the conduct of our affairs. I believe our organization today is as strong as it has ever been and of necessity far stronger in depth because of the greater extent and complexity of our operations.

Now, before calling on the President to address you, I must record with deep regret the death during the

year of Colonel Colin Osborne of Hamilton, a distinguished Director and a staunch friend of the Company for over thirty years.

I am sorry too to have to record the resignation of two of our Directors, Mr. J. Alex Prud'homme, Q.C. of Montreal and Mr. Ronald W. Pearson of Vancouver, both of whom served the Company so well over a long period of years. Mr. Prud'homme and Mr. Pearson felt that they had reached the age when they should relinquish outside responsibilities.

I am pleased to record the election during the year of Mr. J. Douglas Gibson, O.B.E. of Toronto as a Director of the Company. Mr. Gibson brings to our Board valuable experience as a financial and economic consultant.

Because of the operation of the Bank Act, the following Directors will not be standing for re-election: Messrs. André Charron of Montreal, Renault St-Laurent of Quebec City, Peter Macdonnell of Edmonton, Frank Sherman of Hamilton, and D. G. Willmot and G. D. Wotherspoon of Toronto. However, I am pleased to tell you that Messrs. Charron and St-Laurent will continue to be associated with the Company as Advisory Board Members at Montreal and Mr. Willmot as an Advisory Board Member at St. Catharines.

As the information circular shows, four new nominees will be included in the list of Directors which will be voted on later in the meeting. These are: Mr. R. J. Butler of Toronto, President of the T. Eaton Company, Mr. John G. Sheppard of Hamilton, Executive Vice-President of Dominion Foundries and Steel, Mr. Victor F. MacLean of Vancouver, President of Kelly, Douglas & Company, and Mr. R. M. Hungerford of Vancouver, President of Flex-Lox Industries.

I now have pleasure in calling on your President, Mr. E. H. Heeney, to address you.

## President's Address AT THE ANNUAL MEETING

Mr. E. H. Heeney

### MR. CHAIRMAN, LADIES AND GENTLEMEN:

Before commenting upon the business of the Company I would like to refer to two matters which I believe will be of interest to you.

During the year we made a number of changes in appointments of officers at senior levels. I would like to refer particularly to Mr. J. L. A. Colhoun, who is beside me here at the table. He was appointed Executive Vice-President in February. Mr. Colhoun had been Vice-President, Corporate Trust. In his new post he is making a strong contribution to the general management of the Company.

### TAX REFORM

I would also like to say a few words on the subject of taxation. Last year at this time we expressed our views on the then recently proposed Estate Tax Act and voiced our objections to the heavy increase in the tax burden falling on estates of medium size. At the same time we expressed our serious concern over its effect in discouraging the formation of private pools of capital. These same views were expressed by many other responsible Canadians. The Estate Tax Act, substantially in its original form, did however become law.

Early last month the Government issued a White Paper embodying proposals for a comprehensive revision of the Income Tax Act. We are still trying to evaluate the proposals as they affect our taxation system and the economy of the country. Because they are so far-reaching and because in some areas their effect is not at all clear, we have not yet been able to fully develop our views. It does appear to us, however, that some of the proposals, if enacted, would result in further disincentives, in further drains on the accumulation of savings and in a greater burden on small businesses. I suggest that any changes in taxation of our middle-income group which would make it even more attractive for them to live in another country

should be the concern of all Canadians. We should be equally concerned with any taxes that result in a further reduction in personal and corporate savings in this capital-hungry country. The passage of the Estate Tax Act and now the proposals for the revision of the Income Tax Act indicate, I believe, an unmistakable trend towards a reduction of the effectiveness of the private sector in the economic life of Canada.

In due course we will form part of a group which will appear before the appropriate Parliamentary Committees to make representations. The opportunity to speak out on the White Paper will be provided for all Canadians and it is to be hoped that there will be a country-wide expression of opinion.

### FINANCIAL RESULTS

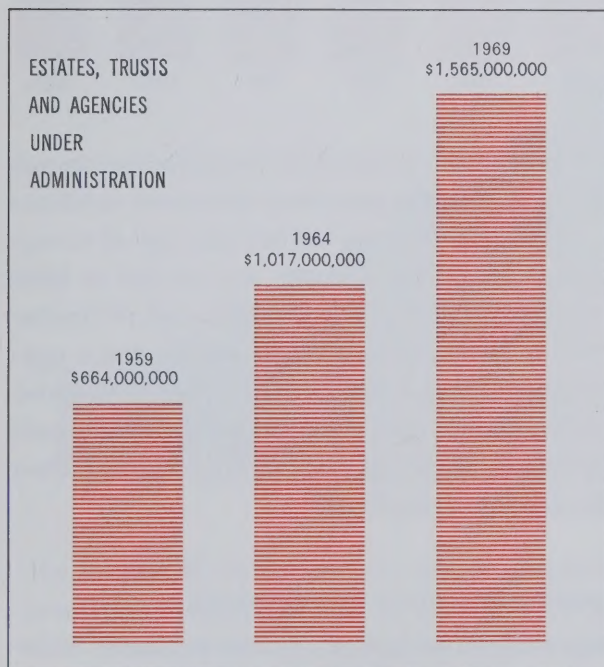
Turning now to the specific affairs of the Company, I am pleased to present to you the financial results of the 72nd year of the Company's operation. Earnings per share increased from \$1.16 in 1968 to \$1.29 in 1969. As a result, your Directors have again been able to increase the dividend. The regular quarterly dividend has been raised from 17¢ to 19¢ beginning with the payment on January 2, 1970. Last year at this time the quarterly dividend was increased from 16¢ to 17¢. In addition an extra dividend of 6¢ has been declared, payable January 2, 1970. The same extra was paid in January 1969.

You will have noted in the Statement of Income, Expenses and Undivided Profits an item described as "Profit on disposal of property" amounting to \$1,323,489. This refers to the profit which arose out of the sale of the property which we formerly occupied at 20 King Street East and the disposal of which was completed in 1969. The full amount has been credited to investment reserves.

In the remarks that follow I will attempt to give you a somewhat broader perspective on the Company which you own than can be obtained by adhering closely to the comparative figures for the past two years. We will, however, return to the Statement from time to time so that I may draw certain points to your attention.

#### GROWTH OF THE COMPANY

This Company was formed seventy-two years ago to act primarily as a fiduciary institution. For many years we concentrated particularly on acting as executors and trustees, transfer agents for shares, trustees for bond issues and as real estate agents and, to a minor degree, as a savings depository for individuals.



The areas of business on which we concentrated during the first fifty years of our existence were the functions normally required of a trust company at that time. We became very good performers in these fields and indeed built a reputation for competence and for integrity that we believe was the best in Canada.

We have maintained those traditions and have built well on the base. As recently as ten years ago our Estates, Trusts and Agencies Account, for example,

amounted to \$664,000,000; at the end of 1969 the figure, as you will see from the Statement, was \$1,565,000,000. Last year we enjoyed the largest increase in our history.

In the course of building up this impressive volume of business there have been a multitude of changes which in turn reflect a great number of decisions. In the area of personal trusts perhaps the greatest changes have flowed out of the altered investment environment which has developed in Canada in the past twenty years. Long gone are the days when it was generally considered that the prime duty of a trustee was only to preserve capital. A steadily rising level of prices and increases in the cost of living extending over a generation have brought about a very different attitude toward investments. The changes are broadly reflected in the altered composition of our Estates, Trusts and Agencies Account. At the end of the war the book value of fixed income investments in our Estates, Trusts and Agencies Account amounted to 70% of total assets and stocks accounted for 19%; now bonds and mortgages represent 45% and stocks account for 51%. If the stocks held were valued at market prices, the percentage which they would bear to the total would be much in excess of 51%.

#### GROWTH OF INVESTMENT SERVICES

In recent years we have steadily improved the investment management of our estate and trust accounts. At the same time these investment services have been made available to corporate clients and to individuals. The management of pension funds has become very big business for us. In this area investment performance determines the degree of success that a trustee achieves in attracting and holding accounts. This is, of course, a matter of fundamental concern in our investment agency accounts as well, and indeed throughout our whole fiduciary operation. The assets of our pension trusts and management accounts now exceed \$500,000,000. The growth of this type of business can be attributed to our ability to develop over the years a group of officers who are proficient in this highly competitive investment management field. Our Pension Trust Division has contributed greatly to developing

new business for us and in providing first-rate administration of the accounts under our care.

A few years ago it became apparent that a new type of investment vehicle would be of assistance to corporate clients who have pension funds of small or medium size. In order to provide a means whereby such accounts might benefit from greater diversification of investments than any account by itself could attain, we established four separate pooled funds. One fund holds only Canadian common stocks; one is made up of non-Canadian common shares; the others permit investment in corporation bonds and preferred shares and in government securities of various types. Each fund is divided into units. These funds have been well received by our clients and their investment performance has been good.

The introduction of legislation to permit tax savings on contributions to individual registered retirement savings plans led to our immediately entering this field, in competition with other financial institutions. While the initial impetus to establish such a plan by an individual comes from the tax savings available, the choice of the particular company that he decides to use is increasingly determined by its record of investment performance. These funds have grown rapidly.

In 1964 we launched our Natrusco Common Share Fund. This is a type of mutual fund which affords to individual investors the advantage of professional investment management. This Fund invests mainly in Canadian common stocks and, within statutory limits, in stocks of American companies. Total assets of the Fund now stand at \$8,100,000.

Our work as trustee for bond and debenture issues and as stock transfer agent for shares has grown along with our personal trust business. In the past ten years the par value of bonds and debentures issued by companies for which we act as trustee has increased by almost sixty per cent. As an example of growth in our Stock Transfer Department, certificates issued have increased by forty per cent in the same period. A list of our corporate clients contains many of the most

illustrious names in Canada and we are proud of our associations.

#### NATRUSCO COMMON SHARE FUND

Market value of assets  
as of Oct. 31st each year  
(millions of dollars)



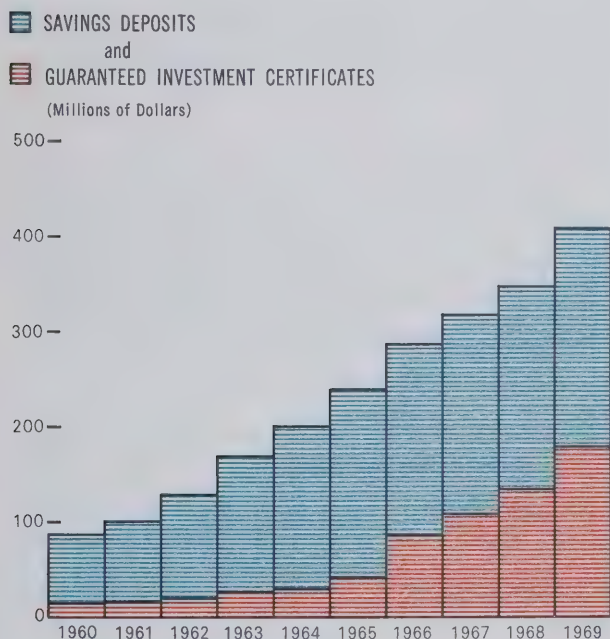
The most notable change in the Company has occurred in our savings and guaranteed investment certificate business. Ten years ago we had one type of savings account—a chequing account—and we had on hand total deposits of \$67,000,000. At the end of October 1969 we were offering both a chequing and a non-chequing account. The combined deposits amounted to \$230,000,000. Over the same period the guaranteed investment certificates outstanding expanded from \$8,200,000 to \$179,000,000.

#### BRANCH AND STAFF DEVELOPMENT

This tremendous growth was not accidental or unplanned. In the later years of the fifties a decision was taken to develop our money business as rapidly as was consistent with soundness. We undertook a programme of opening savings offices as satellites of our main offices in the cities where we were represented. These now number thirty, two of which were opened in the past year. New sites are under consideration. Our staff at these offices is not only competent in the savings business but is qualified as well to talk intelligently to our clients about other services which we offer. The satellites have become important feeders for our general business, as well as having attracted a

large volume of savings deposits. We have also developed a profitable real estate sales business, centered mainly in our satellite offices. We intend to continue to develop this area of our operation.

The development of our business in all its aspects has brought about a substantial increase in staff. We now have 1,157 persons employed in our forty offices. In recognition of their good work and as a further incentive, your Directors recently approved an allocation to officers and employees of stock issued under our Stock Option Plan.



The increase in savings deposits and in guaranteed investment certificates resulted in our forming a very clear investment policy with respect to funds so generated. We have been determined that a high degree of liquidity must be maintained. Under the Loan and Trust Corporations Act of Ontario we are required to hold liquid assets consisting of cash and government bonds amounting to twenty per cent of demand liabilities plus liabilities due within one hundred days. At year-end, in comparison, our figure was thirty-five per cent.

#### MORTGAGE LOANS

The growth in funds for investment has also allowed us to enter into the mortgage market on a large scale. At

the year-end our first mortgages on real estate, after reserves, had reached \$249,000,000 as shown on our Balance Sheet. This represents an increase of \$39,000,000 over the previous year. At the end of 1959 our mortgages amounted to less than \$42,000,000. We have tended to concentrate on loans on housing, although over the years we have also been active in making loans on commercial and industrial property and in entering into sale-lease-back arrangements. Most of the loans on dwellings are made for a period of five years.

When the short-term money market began to develop in the fifties we saw in it an opportunity to add another service, mainly for corporations. We do a substantial business in large amounts of money placed on deposit with us by companies. At the end of last year the total amount of such deposits stood at \$53,000,000. These deposits are usually short-term and the funds are invested in securities of a matching period to avoid risks arising out of market swings.

#### FIRST MORTGAGES ON REAL ESTATE



#### PREMISES AND EQUIPMENT

The general growth that we have achieved over the years encompassed many other changes. We have, for instance, almost completely re-housed the Company.

We occupy new premises in Montreal and Toronto and all of our other main offices have been generously face-lifted and refurbished. We have paid out a total of \$7,900,000 in the last ten years for new and improved premises and for equipment. Of this amount \$5,500,000 has been paid out of earnings.

Our computerization programme has been costly but exceedingly beneficial. We have recently installed our third generation computer and complete conversion of accounting procedures is now under way. On its completion our ability to give service to our clients, particularly in our very important Stock Transfer Department, will be greatly increased. The potential benefits to earnings should be substantial when this programme is fully operational.

The improvement in earnings in 1969 as compared with 1968 is, I believe, encouraging. This continues the strong trend that began some years ago. In 1959 we earned 40¢ a share; earnings in 1969 represented an advance of almost 325%. This compares most favourably with any other company in the business. These earnings have been possible after making the substantial expenditures to which I have referred earlier in these remarks and after absorbing great increases in

other operating costs. In addition, in the past ten years we have added \$8,200,000 to inside reserves.

#### PERSONAL LOANS

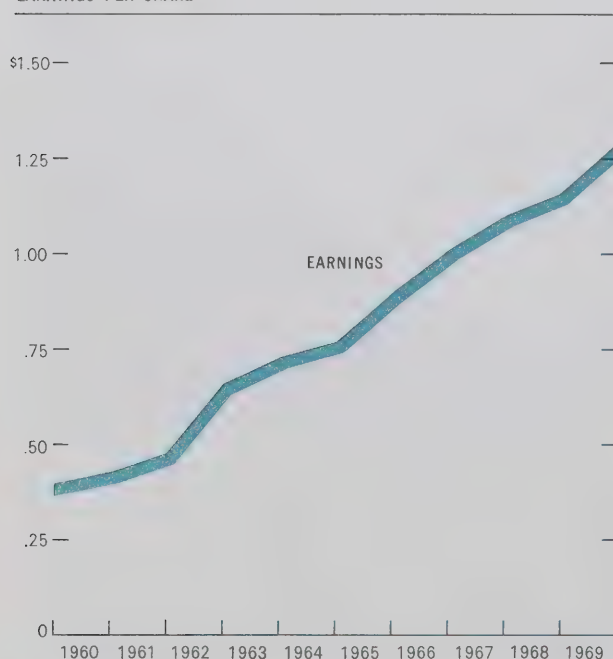
We expect that changes in legislation will be made this coming year that will allow us to enlarge our field of operations and that will, in particular, permit us to make personal loans. While personal lending may not be subject to rapid growth immediately, it has sufficient long-term possibilities to encourage us to begin operations on a modest scale as soon as we are empowered to do so. We have established the basic staff for a personal lending operation and further training is in progress.

The shape of the new legislation is not yet fully determined but we expect that it will also allow us to increase substantially our liabilities to the public. While we still have room to expand under the present legislation, additional latitude would be welcome.

Inflation has added greatly to the problems of our clients and to the management of your Company. The rapid increase in the price level which we have experienced in recent years must be curtailed. We are not now living in a healthy economy. Any slow-down in the increase in prices and a levelling off or, better still, a reduction in interest rates would be of great benefit to Canada and to our business.

It is always more difficult to discuss the future with certainty than it is the past. However, I think it can be said that we have two very strong bases on which to continue to build. I believe that our staff is more competent than at any time in the past. The individual capabilities of our people at all our offices is our greatest strength and I would like to express my deep appreciation for their splendid contribution to the results achieved this past year. In addition to a strong staff, we have maintained the sound financial position of the Company. These two factors should assure our success in the years to come.

EARNINGS PER SHARE



## Advisory Boards

### Montreal

MELVYN G. ANGUS  
*President, Lunham & Moore Limited*

FRASER W. BRUCE  
*Chairman, Canadian Executive Service Overseas*

C. F. CARSLY, M.B.E.  
*President and Director, Canada Vinegars Limited*

ANDRÉ CHARRON, Q.C.  
*President, J. L. Lévesque & L. G. Beaubien Ltée*

ROSS T. CLARKSON, Q.C.  
*Smith, Davis, Anglin, Weldon & Courtois,  
Barristers & Solicitors*

ANSON C. MCKIM, O.B.E.

RENAULT ST-LAURENT, Q.C., LL.D.  
*St-Laurent, Monast, Desmeules & Walters, Barristers*

EDGAR F. TOLHURST

### Oshawa

STEWART R. ALGER  
*Governor, Durham College*

E. RICHARD S. McLAUGHLIN  
*Director of Quality Control, General Motors of Canada Limited*

EDWARD G. STORIE  
*President and General Manager, Fittings Limited*

### St. Catharines

EARL R. DAVEY  
*President, Canadian Ohio Brass Company, Limited*

GORDON GODWIN  
*Executive Vice-President, The Ontario Paper Company Limited*

H. E. HARRIS, Q.C.  
*Fleming, Harris, Barr, Hildebrand, Geiger & Daniel, Barristers*

C. BRUCE HILL, M.C.

C. G. SHAVER, M.B., C.R.C.P. (C.)  
*Superintendent, Niagara Peninsula Sanatorium*

D. G. WILLMOT  
*President and Chief Executive Officer,  
Molson Industries Limited*

### Winnipeg

WILLIAM A. JOHNSTON, Q.C.

DONOVAN N. KNIGHT  
*Investment Consultant*

ERNEST H. MONCRIEFF  
*President, Standard Aero Engine Limited*

KENNETH A. POWELL  
*President, K. A. Powell Canada (1966) Ltd.*

GEORGE T. RICHARDSON  
*President, James Richardson & Sons Limited*

C. GORDON SMITH  
*President, Oldgard Limited*

J. ELMER WOODS

### Edmonton

C. W. CLEMENT, Q.C.  
*Clement, Parlee, Irving, Mustard & Rodney, Barristers*

F. W. FORSTER, SR.  
*President, Bennett & White Alberta (1963) Ltd.*

HUGH MCCOLL  
*President, South Park Motors Ltd.*

A. HOADLEY MITCHELL  
*President, Mitchell & Associates Ltd., Oil and Gas Consultants*

ALAN H. NASH, C.A.  
*Nash & Nash, Chartered Accountants*

H. E. PEARSON, M.C.  
*Chairman of the Board, Selkirk Holdings Limited*

### Calgary

ROSS A. MACKIMMIE, Q.C.  
*MacKimmie Matthews & Co., Barristers & Solicitors*

SMILEY RABORN, JR.  
*President, Canadian Delhi Oil Ltd.*

### Vancouver

BRENTON S. BROWN  
*Vice-President, Western Division  
The Continental Insurance Companies*

R. B. BUCKERFIELD  
*Director, R. L. Crain Limited*

RONALD L. CLIFF, C.A.  
*President, B.C. Transformer Co. Ltd.*

GRAHAM R. DAWSON  
*President, Dawson Construction Limited*

H. H. DINGLE  
*Director, Johnston Terminals and Storage Limited*

R. M. HUNGERFORD  
*President, Flex-Lox Industries Ltd.*

VICTOR F. MACLEAN  
*President, Kelly, Douglas & Company, Limited*

C. H. McLEAN  
*Chairman of the Board, British Columbia Telephone Company*

JOHN A. McMAHON  
*President, Inland Natural Gas Co. Ltd.*

FORREST ROGERS  
*Chairman of the Board,  
The British Columbia Sugar Refining Company, Limited*

PETER PAUL SAUNDERS  
*President, Cornat Industries Ltd.*

### Victoria

THOMAS G. DENNY  
*Partner, Standard Furniture Company*

G. FITZPATRICK DUNN, F.C.A.

J. HOWARD HARMAN  
*Harman and Co., Barristers & Solicitors*

ERNEST HEYBROEK

MAJ.-GEN. THE HON. GEORGE R. PEARKES,  
V.C., C.C., P.C. (CANADA), C.B., D.S.O., M.C., C.D.

W. ALLAN PENDRAY

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## Executive Officers of the Company

J. G. HUNGERFORD, Q.C.  
*Chairman of the Board*

E. H. HEENEY  
*President*

J. L. A. COLHOUN  
*Executive Vice-President*

G. D. FORSYTH  
*Vice-President & Secretary*

D. M. McCLELLAND, C.A.  
*Vice-President, Administration*

E. H. AINLAY  
*Senior Vice-President, Finance*

H. M. GALE  
*Senior Vice-President,  
Western Offices*

J. S. MCKENDY  
*Vice-President, Vancouver*

A. P. SMIBERT, C.A.  
*Vice-President & Comptroller*

F. T. SMITH  
*Vice-President, Finance*

W. G. THOM  
*Vice-President, Personal Trust*

A. S. THOMPSON  
*Vice-President, Finance*

R. M. YOUNG  
*Vice-President, Hamilton*

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W. H. BROUGHALL, Q.C.  
*Counsel, Personal Trust*

R. G. DARLING  
*Assistant Vice-President,  
Finance*

W. A. FOOTE  
*Assistant Vice-President,  
Finance*

B. E. HARRISON  
*Personnel Director*

R. G. SMITH  
*Manager,  
Development Department*

J. C. C. WANSBROUGH  
*Assistant Vice-President,  
Finance*

## Statement of Income, Expenses and Undivided Profits

For the Year Ended October 31, 1969

	1969	1968
Income		
Fees and Commissions - - - - -	\$10,153,340	\$ 9,136,778
Income from investments - - - - -	30,190,801	25,376,788
Total - - - - -	<u>\$40,344,141</u>	<u>\$34,513,566</u>
Expenses		
Interest paid on savings and term deposits and on guaranteed investment certificates	\$21,710,516	\$17,536,638
Salaries and staff benefits - - - - -	7,653,842	6,778,455
Other operating expenses and provision for investment reserves including related income taxes - - - - -	6,368,327	5,997,906
Total - - - - -	<u>\$35,732,685</u>	<u>\$30,312,999</u>
Profit before income taxes - - - - -	\$ 4,611,456	\$ 4,200,567
Provision for income taxes - - - - -	2,196,906	2,031,257
Net Profit - - - - -	<u>\$ 2,414,550</u>	<u>\$ 2,169,310</u>
Undivided Profits brought forward from the previous year - - - - -	1,045,244	930,061
Profit on disposal of property - - - - -	1,323,489	—
	<u>\$ 4,783,283</u>	<u>\$ 3,099,371</u>
Deduct:		
Dividends aggregating 74 cents a share (70 cents a share in 1968) - - - - -	\$ 1,379,722	\$ 1,304,127
Transfer to investment reserves - - - - -	1,323,489	—
Transfer to Reserve Fund - - - - -	1,250,000	750,000
	<u>\$ 3,953,211</u>	<u>\$ 2,054,127</u>
Undivided Profits carried forward - - - - -	<u>\$ 830,072</u>	<u>\$ 1,045,244</u>

## Statement of Reserve Fund

For the Year Ended October 31, 1969

	1969	1968
Balance brought forward from the previous year - - - - -	\$17,769,126	\$17,001,885
Add:		
Proceeds in excess of par value of Capital Stock issued during the year - - - -	10,295	17,241
Transfer from Undivided Profits - - - - -	1,250,000	750,000
Balance carried forward - - - - -	<u>\$19,029,421</u>	<u>\$17,769,126</u>

ASSETS	1969	1968
Cash and bank deposit receipts - - - - -	\$ 28,657,733	\$ 15,415,813
Securities—at amortized cost		
Government of Canada Bonds - - - - -	\$ 74,944,028	\$ 70,633,593
Provincial Bonds - - - - -	18,967,891	15,758,230
	<u>\$ 93,911,919</u>	<u>\$ 86,391,823</u>
Securities—at cost less reserves		
Municipal Bonds - - - - -	\$ 5,632,432	\$ 6,971,024
Other Bonds & Debentures:		
Maturing within one year - - - - -	65,374,056	45,417,581
Other maturities - - - - -	30,255,578	29,282,291
Stocks - - - - -	9,976,799	9,841,465
(Market value 1969 \$116,080,810)	<u>\$ 111,238,865</u>	<u>\$ 91,512,361</u>
1968 \$ 96,243,609)		
Loans secured by Bonds and Stocks - - - - -	\$ 127,797	\$ 89,933
Advances to Estates, Trusts and Agencies - - - - -	290,963	309,357
Mortgages, less reserve - - - - -	249,142,810	210,303,792
Office Premises and Equipment, less reserve - - - - -	2,810,488	2,634,513
	<u>\$ 486,180,575</u>	<u>\$ 406,657,592</u>
ESTATES, TRUSTS AND AGENCIES		
Securities, Cash and other Assets - - - - -	<u>\$1,564,939,010</u>	<u>\$1,432,299,123</u>

### Auditors' Report to the Shareholders

We have examined the balance sheet of National Trust Company, Limited as at October 31, 1969 and the statements of Income, Expenses and Undivided Profits and Reserve Fund for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. All our requirements as auditors have been complied with.

The assets held for Guaranteed Account and for Estates, Trusts and Agencies are kept separate from the Company's own assets and are so earmarked on the books of the Company as to show the accounts to which they belong.

In our opinion, these financial statements present fairly the financial position of the Company as at October 31, 1969 and the results of its operations for the year ended on that date.

Toronto, November 24, 1969.

CLARKSON, GORDON & Co., Chartered Accountants.

October 31, 1969

## LIABILITIES AND CAPITAL

	1969	1968
Liabilities:		
Guaranteed Account:		
Savings Deposits - - - - -	\$ 229,855,680	\$ 212,737,235
Term Deposits - - - - -	52,768,696	36,014,952
Guaranteed Investment Certificates - - - - -	179,021,317	134,657,970
	<u>\$ 461,645,693</u>	<u>\$ 383,410,157</u>
Government of Canada and Provincial Income Taxes - - - - -	945,829	704,925
	<u>\$ 462,591,522</u>	<u>\$ 384,115,082</u>
Capital:		
Capital Stock:		
Authorized 2,500,000 shares of \$2 par value		
Issued and fully paid 1,864,780 shares - - - - -	\$ 3,729,560	\$ 3,728,140
(1968—1,864,070 shares)		
Reserve Fund - - - - -	19,029,421	17,769,126
Undivided Profits - - - - -	830,072	1,045,244
Note: In 1967 options, expiring September 6, 1977, were granted to 65 employees to purchase 15,100 shares of the unissued capital stock of the Company at the then market price of \$16.50 per share. Options have been exercised in respect of 2,029 of these shares including 710 shares in 1969 for a consideration of \$11,715.		
	<u>\$ 23,589,053</u>	<u>\$ 22,542,510</u>
	<u>\$ 486,180,575</u>	<u>\$ 406,657,592</u>
ESTATES, TRUSTS AND AGENCIES		
Estates, Trusts and Agencies under Administration - - - - -	<u>\$1,564,939,010</u>	<u>\$1,432,299,123</u>

Attested: | J. G. HUNGERFORD, Chairman of the Board.  
| E. H. HEENEY, President.

## Summary of Growth

Year Ended October 31st	1969	1968	1967	1966
Profit Before Taxes - - - - -	\$ 4,611,456	4,200,567	4,025,525	3,572,583
Income Taxes - - - - -	2,196,906	2,031,257	1,972,356	1,690,917
Net Profit - - - - -	2,414,550	2,169,310	2,053,169	1,881,666
Dividends Paid - - - - -	1,379,722	1,304,127	1,210,788	1,117,650
Per Share:				
Profit Before Taxes - - - - -	\$2.47	2.25	2.16	1.92
Income Taxes - - - - -	1.18	1.09	1.06	.91
Net Profit - - - - -	1.29	1.16	1.10	1.01
Dividends Paid - - - - -	.74	.70	.65	.60
Savings Deposits - - - - -	\$ 229,855,680	212,737,235	209,430,504	200,588,832
Guaranteed Investment Certificates -	179,021,317	134,657,970	108,563,374	86,482,867
Mortgage Loans - - - - -	249,142,810	210,303,792	190,073,041	183,126,537
Estates, Trusts and Agencies - - -	1,564,939,010	1,432,299,123	1,302,089,240	1,191,551,308
Total Assets Under Administration -	\$2,051,119,585	1,838,956,715	1,676,562,689	1,542,798,533

1965	1964	1963	1962	1961	1960
3,250,155	3,013,932	2,493,750	2,112,648	(10 months) 1,438,531	1,181,407
1,567,672	1,577,751	1,264,754	1,108,886	715,249	539,000
1,682,483	1,436,181	1,228,996	1,003,762	723,282	642,407
1,080,396	959,914	802,669	666,663	483,866	570,762
1.74	1.62	1.48	1.39	.95	.79
.84	.85	.75	.73	.47	.36
.90	.77	.73	.66	.48	.43
.58	.54	.50	.44	.32	.38
196,843,317	171,078,537	142,268,756	108,911,206	84,660,112	72,427,662
42,416,939	29,710,525	26,931,471	19,786,701	16,465,316	14,684,780
157,557,084	113,264,033	93,904,562	72,125,621	52,479,118	43,846,646
1,113,917,016	1,016,935,854	945,916,031	846,688,142	772,406,866	717,457,004
1,429,902,048	1,278,833,560	1,158,136,874	1,027,332,376	928,713,629	837,698,843

## Company Offices and Managers

### **Toronto—Head Office**

21 King Street East

#### *Branch Offices*

Northtown Shopping Centre, 5385 Yonge St., Willowdale

C. E. BAIN, *Manager*

Golden Mile Plaza, 1882 Eglinton Ave. E., Scarborough

R. B. TEMPLETON, *Manager*

45 St. Clair Avenue W., Toronto

R. W. MYLES, *Manager*

Cloverdale Mall, Hwy. 27 and Dundas Street W., Islington

R. C. ADAMS, *Manager*

1547 Bayview Avenue, Toronto

A. I. RIDDELL, *Manager*

2360 Bloor Street W., Toronto

W. D. R. WILSON, *Manager*

938 St. Clair Avenue W., Toronto

D. B. BURTON, *Acting Manager*

350 Eglinton Avenue West, Toronto

K. A. DOYLE, *Manager*

2072 Danforth Avenue, Toronto

G. N. JODRELL, *Manager*

Eastown Shopping Centre,

2646 Eglinton Ave. E., Scarborough

W. F. GLIDDON, *Manager*

3350 Yonge Street, Toronto

G. W. LYONS, *Manager*

2860 Lake Shore Blvd. W., New Toronto

B. M. SIDSWORTH, *Manager*

18 Bloor Street West, Toronto

R. T. REEVES, *Manager*

1922 Weston Road, Weston

G. A. STEPHENSON, *Manager*

Agincourt Mall, 3850 Sheppard Avenue East, Agincourt

E. C. O'BRIEN, *Manager*

203 Roncesvalles Avenue, Toronto

D. M. McBRIDE, *Manager*

### **Montreal**

1350 Sherbrooke Street West, Montreal 109

G. B. EMPEY, *Manager*

#### *Branch Offices*

1011 St. Catherine Street West, Montreal 110

L. LAMARCHE, *Manager*

Rockland Shopping Centre, 2237 Rockland Road,

Town of Mount Royal, Montreal 304

G. W. BARTON, *Manager*

### **Oshawa**

32 Simcoe Street South, Oshawa

D. G. MALCOLM, *Manager*

### **Hamilton**

11 Main Street East, Hamilton

R. M. YOUNG, *Manager*

#### *Branch Offices*

Greater Hamilton Shopping Centre,

Barton Street, Hamilton

R. C. ROSS, *Manager*

Fennell Square Shopping Plaza,

Gage and Fennell Avenues, Hamilton

M. D. SHERMAN, *Manager*

527 Brant Street, Burlington, Ontario

D. W. TINLIN, *Manager*

999 King Street West, Westdale

J. H. REYNOLDS, *Manager*

### **St. Catharines**

26 Queen Street, St. Catharines

A. E. GARDINER, *Manager*

### **Winnipeg**

250 Portage Avenue, Winnipeg

G. S. FARWELL, *Manager*

#### *Branch Office*

111 Polo Park Shopping Centre, 1485 Portage Avenue

A. W. S. DONALD, *Manager*

### **Calgary**

330-8th Avenue S.W., Calgary

J. H. McKIBBEN, *Manager*

#### *Branch Office*

Chinook Shopping Centre, 6423 Macleod Trail

L. E. WEIDMAN, *Manager*

### **Edmonton**

10072 Jasper Avenue, Edmonton

A. C. C. HEDGE, *Manager*

#### *Branch Office*

213 Shoppers' Park, Westmount

G. L. SCABAR, *Manager*

### **Vancouver**

510 Burrard Street, Vancouver

J. S. McKENDY, *Manager*

#### *Branch Offices*

955 Park Royal Shopping Centre, West Vancouver

L. S. GATTO, *Manager*

528 Brentwood Shopping Centre, Burnaby 2

T. W. PROUDLOCK, *Manager*

999 Denman Street, West End Vancouver

L. D. EAGLESTONE, *Manager*

### **Victoria**

1280 Douglas Street

T. B. NASH, *Manager*

#### *Branch Offices*

2190 Oak Bay Avenue

G. R. ASHTON, *Manager*

Hillside Shopping Centre, 3108 Shelbourne Street

G. M. TURNER, *Manager*



